Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

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DA 05-521

Released: March 1, 2005

DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF BELLSOUTH'S MILTON AND GATEWOOD EXCHANGES TO MADISON RIVER TELEPHONE COMPANY, LLC

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 05-51

MADISON RIVER TELEPHONE COMPANY, LLC, MEBTEL, INC. d/b/a MEBTEL COMMUNICATIONS AND BELLSOUTH TELECOMMUNICATIONS, INC. SEEK WAIVER OF THE STUDY AREA BOUNDARY FREEZE AS CODIFIED IN PART 36 AND WAIVER OF SECTION 69.3(e)(11)

PLEADING CYCLE ESTABLISHED

CC Docket No. 96-45

Comments Due: March 15, 2005

Reply Comments Due: March 22, 2005

On January 27, 2005, Madison River Telephone Company, LLC, its wholly owned subsidiaries MebTel, Inc., d/b/a MebTel Communications, and MebTel Long Distance Solutions, Inc. (Madison River) and BellSouth Telecommunications, Inc. and BellSouth Long Distance, Inc. (BellSouth) (collectively, the Applicants) filed an application pursuant to sections 63.03 and 63.04 of the Commission's rules¹ requesting authority to transfer control of BellSouth's Milton and Gatewood telephone exchanges in North Carolina to Madison River. Also, on January 27, 2005, Madison River and BellSouth filed a joint petition for waiver of the study area boundary freeze as codified in the Appendix-Glossary of Part 36 of the Commission's rules (Study Area Waiver).² Madison River also seeks a waiver of section 69.3(e)(11) of the Commission's rules

¹ 47 C.F.R §§ 63.03, 63.04; see 47 U.S.C. § 214.

² 47 C.F.R. § 36, App. (defining "study area").

in order to allow it to continue to use the National Exchange Carrier Association (NECA) as its tariff pool administrator (Part 69 Waiver).³

Transfer of Control Application: Applicants seek streamlined treatment for this transaction under section 63.03(b)(1)(iii) of the Commission's rules because it involves only the transfer of the local exchange assets of an incumbent local exchange carrier (LEC) by means other than acquisition of control.⁴ Because the domestic 214 application is associated with a non-routine request for waiver of the Commission's rules, it is not subject to streamlined treatment.⁵

Madison River is a Delaware limited liability company that provides local and long distance services in the Gulf Coast, Mid-Atlantic and Midwestern regions of the United States. The following entities own 10% or more of Madison River: Madison Dearborn Capital Partners II, LP, 36.9%; Goldman Sachs & Co., 30.7%; and Providence Equity Partners LP, 20.3%. None of these equity owners owns a derivative interest of 10% ore more in Madison River. BellSouth, organized under Georgia law, is an incumbent LEC that provides local and long distance services throughout the United States. BellSouth Telecommunications, Inc. and BellSouth Long Distance are wholly-owned subsidiaries of BellSouth Corporation. No entity owns 10% or more of the equity of BellSouth Corporation.

The Applicants have entered into an Asset Sale Agreement which provides that BellSouth will transfer certain assets of the Milton and Gatewood, North Carolina exchanges to Madison River. Assets include tangible and intangible assets and properties in the areas of the exchanges and tangible and intangible assets used in operation of the exchanges including customer accounts for local, intraLATA long distance and interLATA long distance. Upon closing of the transaction, Madison River will provide local and long distance telephone service to BellSouth's current subscribers through Madison River's wholly-owned subsidiaries MebTel, Inc. and MebTel Long Distance Solutions, Inc.

Applicants assert that the proposed transfer of control is in the public interest because Madison River will continue to provide high quality, modern local exchange, exchange access and long distance service to BellSouth's current subscribers. Therefore, no customer will lose service or be adversely affected by the transaction. The Applicants also state that Madison River will introduce DSL and Voicemail services to the Milton and Gatewood exchanges and will publish an improved directory.

<u>Study Area Waiver and Part 69 Waiver</u>: The requested study area waiver would permit BellSouth to remove from its North Carolina study area the Milton and Gatewood exchanges

³ 47 C.F.R. § 69.3(e)(11).

⁴ 47 C.F.R. § 63.03(b)(1)(iii).

⁵ See 47 C.F.R. § 63.03(c)(1)(i).

(approximately 3,522 access line) and would permit Madison River to add those exchanges to its existing North Carolina study area. Madison River's requested waiver of section 69.3(e)(11) would allow it to continue to use NECA as its tariff pool administrator upon completion of the transfer of the exchanges.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a non-streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments on or before March 14, 2005** and **reply comments on or before March 21, 2005**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to http://www.fcc.gov/e-file/ecfs.html. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send e-mail to ecfs@fcc.gov, and should include the following words in the subject line "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Natek, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

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⁶ See 47 C.F.R. § 63.03(a).

In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, DC 20554, www.bcpiweb.com; phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C212, Washington, D.C. 20554; e-mail: tracey.wilson-parker@fcc.gov;
- (3) Alex Johns, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-B418, Washington, D.C. 20554; e-mail: alexis.johns@fcc.gov;
- (4) William Dever, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C266, Washington, D.C. 20554; e-mail: william.dever@fcc.gov;
- (5) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and
- (6) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.
- (7) Gary Seigel, Telecommunications Access Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C408, Washington, D.C. 20554; e-mail: gary.seigel@fcc.gov.
- (8) Sheryl Todd, Telecommunications Access Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-B540, Washington, D.C. 20554; e-mail: sheryl.todd@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpiweb.com.

For further information, please contact Tracey Wilson, at (202) 418-1394, or Alex Johns at (202) 418-1167.